



USAID | BOSNIA-HERZEGOVINA

QUARTERLY NEWSLETTER

January - March 2005



INSIDE THE NEWSLETTER "Days of Krajina Tourism" fair included a series of events in the four BiH ski resorts of Vlasica, Kupres, Bjelasnica and Jahorina. The fair was part of a pilot project launched by tourism promoters from BiH's northwestern region of Krajina. USAID's Cluster Competitiveness Activity is supporting the initiative whose aim is to promote Krajina as a tourism destination rich in sport, outdoor activities and cultural and gastronomic displays. [See Page 3](#)

MESSAGE FROM THE DIRECTOR: SUPPORTING BOSNIA AND HERZEGOVINA ON ITS WAY TO PROSPERITY

This first issue of our new quarterly newsletter presents a picture of the wide-ranging assistance that the USAID mission is providing to Bosnia and Herzegovina.

Since 1995, with the signing of the Dayton Peace Accords, which ended the three-year conflict in BiH, USAID has been assisting BiH in three strategic areas. We funded extensive post-war reconstruction of infrastructure to support refugee returns that could help BiH recreate its multiethnic society. More than one-million refugees and displaced people have now returned home. We helped to jump-start the devastated economy and rebuild the economic institutions required for a market-based economy. BiH now has a stable macro-economy, a growing private sector and the most vibrant banking sector in Southeast Europe. We helped create the institutions of democracy: independent media, civil society,



Howard Sumka
USAID/BiH Mission
Director

an independent judiciary and competent elections commission.

BiH has come a long way in the decade since the war and is on the move toward a future in Euro-Atlantic institutions. We have adapted USAID's programs accordingly, as you will read in the following pages. We are supporting strategic privatization; we are helping to rebuild a competitive economy, including in the tourism sector; and we are helping to create an MBA program to train future Bosnian entrepreneurs and business leaders in-country and at international standards. We are, of course, doing much more, as you will learn in future issues of the newsletter.

I welcome you to this first issue and hope you will be a regular reader and, perhaps, a participant and supporter of our programs. We welcome as well your comments and suggestions.



Parents Choose Their Children's School Principal

This groundbreaking election was organized by the Center for Civic Initiatives

In a rare happening in Bosnia-Herzegovina, experience won out over politics and parents were allowed to choose their children's school principal. In the first ever election of its type, high school teacher Sulejman Mulic, 52 years old, was chosen as school principal of Sjenjak Elementary School in Tuzla.

Said Mulic, "Interaction between the principal and our students' parents will finally become an everyday practice. I believe this is a historic step for primary education in BiH, since parents are now able to vote for competent directors instead of politically appropriate ones."

This groundbreaking election was organized by the Center for Civic Initiatives

(CCI), a USAID grantee, as part of its "De-Politicization of Education" campaign. Two candidates ran for the position.

A few days before the election, the candidates presented their programs to parents and school employees. The turnout among parents was approximately 30 percent. CCI's "De-Politicization of Education" campaign started in 2003 in Tuzla Canton.

With USAID funding, CCI manages an interactive Civil Society Development Program in which CCI trainers provide assistance to local community residents to increase citizen participation in the process of local budget planning, adoption and implementation.

PRIVATIZATION

Natron Maglaj Joint Venture to Preserve 450 Jobs

BiH's pulp and paper-producing firm, Natron from Maglaj, was privatized through a joint venture with Kastamonu Entegre, part of the Hayat Holding Group from Turkey.

Natron contributed assets and Kastamonu contributed \$9.3 million cash to the new joint venture company Natron-Hayat.



Natron Maglaj was privatized through a joint venture

Kastamonu Entegre will invest an additional 21 million euro (approximately \$27 million) over the next 24 months. Approximately 450 jobs will be preserved and another 300 workers are expected to be back to their jobs after the new company is registered.

USAID's Privatization of Strategic Enterprises Project advised the seller on the transaction and served as a member of the team formed to negotiate the terms and conditions of the joint venture.

NEWS IN BRIEF ♦ NEWS IN BRIEF ♦ NEWS IN BRIEF ♦ NEWS IN BRIEF

♦ Through USAID's Media Project, three journalist associations - from Sarajevo, Banja Luka and Mostar - joined together to form the Association of BiH Journalists. The new association united journalists of the independent print and broadcast media from throughout BiH. The association established an Ethics Committee composed of five respected journalists from the different media.

♦ USAID's Cluster Competitiveness Acti-

vity (CCA) supported a Herzegovina wine event organized by the Association of Wine Growers from Herzegovina and under the auspices of the BiH Presidency. In close cooperation with USAID's LAMP project, CCA produced promotional materials and helped the Association of Wine Growers to develop press packs. The wine event hosted more than 200 visitors, including U.S. Ambassador McElhane, who made remarks.

♦ USAID's Tax Administration Modernization Project (TAMP) turned over to the State Ministry of Civil Affairs' Citizens' Identification and Protection Project a nationwide microwave-based, high capacity data communications system. The system will connect tax offices in the country to central processing centers and will enable a unified taxpayer database. The system will also be used for supporting other data communication needs of the government.

TOURISTS INVITED TO RETURN TO KRAJINA

Visitors taste Krajina cuisine and enjoy skiing at four ski resorts

There are so many tourists who should be shown what this part of Bosnia-Herzegovina (BiH) can offer," said Milan Torbak from Zagreb,

Croatia as he gazed at the crowd on Vlasic Mountain one sunny Sunday.

Torbak was one of hundreds of participants in the "Days of Krajina Tourism" fair



Krajina has much to offer as a tourist destination

Crowds in front of stands

"I think the events went well. It is proved by the high number of interested people in front of our stands", said Director of Una-Sana Canton Tourist Organization Jasminka Susko.

which included a series of events in the four BiH ski resorts of Vlasic, Kupres, Bjelasnica and Jahorina. The fair was part of a pilot project launched by tourism promoters from BiH's northwestern region of Krajina. USAID's Cluster Competitiveness Activity (CCA) is supporting this initiative, whose aim is to promote Krajina as a tourism destination rich in sport, outdoor activities, cultural displays and food.

Visitors at each ski center had the opportunity to sample traditional Krajina cuisine, test their skiing skills in attempting to master routes of various difficulties, demonstrate their physical prowess during the wall climbing events, and win prizes, free meals and souvenirs. Organizers distributed ten thousand brochures with information on Krajina tourism offers and discount coupons to be used during the summer.

Anti-trafficking Campaign



The International Organization for Migration (IOM) recently launched the Prevention and Awareness-Raising Campaign on Trafficking (PARC). The campaign intends to prevent trafficking in persons by providing information and education about the risks and dangers of involvement in trafficking in BiH. USAID put \$365,898 in the PARC.

\$8 Million in Grants



USAID's Linking Agriculture Markets and Producers (LAMP) Project provided \$8.0 million in grants to four local micro-credit organizations (MCOs). Each MCO initially received \$1.6 million to lend to borrowers in the agricultural sector. After disbursing the initial amount, MCOs received an additional grant of \$400,000.

MBA Seminar



The first seminar on Presentation Methods and Skills was completed at the Sarajevo Graduate School of Business (SGSB). The seminar was attended by 25 students. All attendees received certificates from the SGSB's Dean Milos Trifkovic. USAID supports the MBA program in Sarajevo through the University of Delaware.

Cow Changes life of Mother and Nine Children

USAID program helped Habiba Halilovic to feed her boys and girls



Part of Halilovic family: Youngsters now have milk for breakfast

Traveling to Srebrenica today, it's hard to imagine that 10 years ago the peaceful, bucolic setting was the site of the greatest atrocity in Europe since World War II. Serb forces gathered between 7,000 and 8,000 Muslim men and boys and herded them off to be killed, leaving behind thousands more grieving widows and children. The survivors of this tragedy were forced to flee to safer areas

throughout the country.

Nine years later the picture has changed considerably. Over one million refugees and displaced persons have returned to their homes in Bosnia-Herzegovina, including many to Srebrenica.

USAID has supported this return and rebuilding process in Srebrenica with a wide variety of activities, including the repair of \$8.3 million worth of infrastructure.

However, USAID found infrastructure was not enough. Returnees also needed ways to earn a living and provide for their families, but most could not qualify for traditional bank loans or even support from micro-credit organizations. In response, the Mission developed a project to provide small grants and loans to the most economically disadvantaged returnees. Depending on the recipient's circumstances, the loans are either repayable in part with a low interest rate or repayable in kind. This Economic Opportunities for Returnees project is implemented by the United Methodist Committee on Relief (UMCOR).

The mother of nine children Habiba Halilovic is a typical beneficiary. She is a 41-year-old widow who lives deep in the countryside, far from any roads or marketplace. Halilovic was having trouble feeding her family when a neighbor stopped by to tell her about the USAID project. That visit marked a pivotal change in her life. Shortly thereafter, she received a cow from USAID, improving her situation dramatically. Halilovic's good fortune also brought good luck to her neighbors. As part of her agreement with USAID, she paid back her loan by giving her cow's calf to a neighboring family. "Having a cow is golden," says Halilovic. "Now when I wake up in the morning, I no longer have to worry what I will feed my children. We always have milk, cheese and sour cream."

Lower Costs of Energy for Brcko District Citizens

USAID recently completed a reconstruction of infrastructure project to ensure a stable, low-cost power supply for the Brcko region.

"The USAID project gives Brcko District authorities the freedom to purchase electricity from the Federation, Republika Srpska or Croatia depending on who is

offering the best terms and price," USAID Mission Director Howard Sumka said. USAID invested KM 10 million to reconstruct substations, transmission lines and underground cables throughout the Brcko region. This is part of USAID's effort in Brcko, which includes infrastructure projects worth more than \$21 million.



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